

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of:

Case No. INS-20-0032

AMERICAN NATIONAL PROPERTY
AND CASUALTY COMPANY,

Respondent.

ORDER TO CEASE AND DESIST,
FINAL ORDER ASSESSING CIVIL
PENALTY AND CONSENT TO
ENTRY OF ORDER

THIS IS A FINAL ORDER

The Director of the Department of Consumer and Business Services for the State of Oregon (“Director”), acting in accordance with Oregon Revised Statutes (“ORS”) chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 743B, 744, 746, 748 and 750 (“Insurance Code”), has conducted an investigation into the insurance related activities of American National Property and Casualty Company (“Respondent”).

Respondent submits to the Director’s jurisdiction and agrees to waive its rights to notice and an administrative hearing that arise under ORS 183.415 and wishes to resolve this matter by consenting to entry of this Final Order.

Now, therefore, as evidenced by the authorized signatures subscribed on this document, the Director issues the following Findings of Fact, Conclusions of Law, and Final Order.

FINDINGS OF FACT

The Director FINDS that:

1. Respondent has been licensed as a foreign insurer since January 15, 1978 and provides property and casualty products in Oregon. Respondent’s principle place of

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1 business is Corporate Centre, 1949 E. Sunshine, Springfield, MO 65899. Respondent's
2 National Association of Insurance Commissioners company code is 28401.

3 2. From January 1, 2017 through July 24, 2019, Respondent received 719 claims
4 from Oregon consumers involving a motor vehicle that was declared a total loss ("Total
5 Loss Claims") and elected to make a cash settlement to each respective consumer.

6 3. For 603 of the Total Loss Claims, Respondent failed to pay all applicable
7 taxes, license fees and other fees incident to the transfer of evidence of ownership of
8 another comparable automobile.

9 4. For 482 of the Total Loss Claims, Respondent failed to provide to the
10 claimant a copy of the Vehicle Total Loss Notice.

11 12 CONCLUSIONS OF LAW

13 The Director CONCLUDES that:

14 5. Pursuant to ORS 731.252(1), whenever the Director has reason to believe that
15 any person has been engaged or is engaging or is about to engage in any violation of the
16 Insurance Code, the Director may issue an order, directed to such person, to discontinue
17 or desist from such violation or threatened violation.

18 6. In a total loss settlement, pursuant to Oregon Administrative Rule ("OAR")
19 836-080-0240(3), the insurer may elect to make a cash settlement, less any deductible
20 provided in the policy, but including all applicable taxes, license fees and other fees
21 incident to transfer of ownership of another comparable automobile.

22 7. Respondent violated OAR 836-080-0240(3) on 603 instances as described in
23 Paragraph 3 above.

24 8. Pursuant to ORS 742.554(2)(a), when an insurer declares a motor vehicle a
25 total loss and offers to make a cash settlement to an insured or third-party owner of the
26 motor vehicle, the insurer shall provide the insured or third-party owner a written

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1 statement in a form provided by the Director that includes information about total loss,
2 vehicle valuation and the duties of the insurer.

3 9. Pursuant to OAR 836-080-0240(4), when an insurer elects to make a cash
4 settlement, the insurer shall provide the insured or third-party claimant with the written
5 statement set forth in Exhibit 1 of this rule.¹

6 10. Respondent violated ORS 742.554(2)(a) and OAR 836-080-0240(4) on 482
7 occasions as described in Paragraph 4 above.

8 11. Pursuant to ORS 731.988(1), the Director may impose a civil penalty of up to
9 \$10,000 per violation upon any individual who violates a provision of the Insurance
10 Code.

12 ORDERS

13 Now therefore, the Director issues the following Orders:

14 12. As authorized by ORS 731.252(1), the Director ORDERS Respondent to
15 CEASE AND DESIST from violating OAR 836-080-0240(3), OAR 836-080-0240(4), or
16 ORS 742.554(2)(a).

17 13. Based upon the foregoing and as authorized by ORS 731.988(1), the Director
18 ORDERS that Respondent pay a total CIVIL PENALTY of \$40,000 as follows:

19 A. A CIVIL PENALTY of \$20,000 for 603 violations of OAR 836-080-0240(3)
20 as described in Paragraph 7 above.

21 B. A CIVIL PENALTY of \$20,000 for 482 violations of ORS 742.554(2)(a) and
22 OAR 836-080-0240(4) as described in Paragraph 10 above.

23 14. The Director SUSPENDS the collection of \$20,000 of the total CIVIL
24 PENALTY assessed above so long as Respondent complies with all terms and conditions

25 ¹ The written statement is the Vehicle Total Loss Notice found as Exhibit 1 at https://dfr.oregon.gov/laws-rules/Documents/OAR/div80-0240_ex1.pdf.



1 of this Order and all requirements of the Insurance Code and any administrative rules
2 promulgated thereunder. If, during the period of two years after the effective date of this
3 Order, Respondent complies with the terms of this Order and the Director has not
4 initiated an enforcement action for new violations of the same provisions of the Insurance
5 Code identified in this Order, the Director WAIVES the collection of the suspended
6 CIVIL PENALTY assessed herein.

7 15. The remaining \$20,000 CIVIL PENALTY assessed herein, that has not been
8 suspended, is due and payable at the time this Order is returned to the Director.

9 16. This Order is a “Final Order” under ORS 183.310(6)(b). Subject to that
10 provision, entry of this Order in no way limits or prevents further remedies, sanctions, or
11 actions which may be available to the Director under Oregon law to enforce this Order,
12 for violations of this Order, for conduct or actions of Respondent that are not covered by
13 this Order, or against any party not covered by this Order.

14
15 SO ORDERED this 17th day of August, 2020.

16 ANDREW R. STOLFI, Director
17 Department of Consumer and Business Services

18 /s/ Dorothy Bean
19 Dorothy Bean, Chief of Enforcement
20 Division of Financial Regulation

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1 CONSENT TO ENTRY OF ORDER

2 I, Jeffrey A. Mills, state that I am an officer of
3 American National Property and Casualty Company and I am authorized to act on its
4 behalf. I have read the foregoing Order, and I know and fully understand the contents
5 hereof. I have been advised of the right to a hearing and of the right to be represented by
6 counsel in this matter. American National Property and Casualty Company voluntarily
7 and without any force or duress consents to the entry of this Order expressly waiving
8 any right to a hearing in this matter. American National Property and Casualty
9 Company understands that the Director reserves the right to take further actions to
10 enforce this Order or to take appropriate action upon discovery of other violations of the
11 Insurance Code. American National Property and Casualty Company will fully comply
12 with the terms and conditions stated herein.

13 American National Property and Casualty Company understands that this Order
14 is a public document.

15 /s/ Jeffrey A. Mills
16 Signature

17 Jeffrey A. Mills
18 Printed name

19 Executive Vice President, Chief P&C Claims Officer
20 Office held

21 ACKNOWLEDGMENT

22 There appeared before me this 13th day of July, 2020,
23 Jeff Mills, who was first duly sworn on oath, and stated that
24 she/he was and is an officer of American National Property and Casualty Company and
25 that he is authorized and empowered to sign this Consent to Entry of Order on behalf of
26 American National Property and Casualty Company and to bind American National
Property and Casualty Company to the terms hereof.

27 /s/ Coreena Butts
28 Signature of Notary Public

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